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# **Yates Group Limited**

## **Report and Financial Statements**

25 February 2007

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# Yates Group Limited

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Registered No 478794

## **Directors**

Aaron Brown  
Timothy Smalley  
Ian Payne  
Paul Symonds  
Suzanne Baker  
Christian Keen

## **Secretary**

Everssecretary Limited  
Eversheds House  
70 Great Bridgewater Street  
Manchester  
M1 5ES

## **Auditors**

Ernst & Young LLP  
400 Capability Green  
Luton  
Bedfordshire  
LU1 3LU

## **Registered office**

Porter Tun House  
500 Capability Green  
Luton  
Bedfordshire  
LU1 3LS

## Directors' report

The directors present their annual report together with the audited financial statements for the year ended 25 February 2007

### Results and dividends

The profit for the year after taxation amounted to £790,000 (period ended 26 February 2006 loss £7,376,000) There were no dividends paid in the year (period ended 26 February 2006 £nil)

### Principal activities and review of the business

The company continues to hold all the fixed assets of Yates's Wine Lodges Limited and Ha' Ha' Bar and Canteen Limited and recharges the depreciation to these companies

The directors are currently in discussions with the Group's lenders with a view to restructuring the Group's borrowing facilities The directors are confident that this will be completed by March 2008 and considering the company's ability to meet all its future obligations based on the projected cash flows, the directors therefore consider it appropriate to prepare the financial statements on a going concern basis

### Principal risks and uncertainties

The company has entered into an intercreditor agreement as a guarantor on all intercompany balances along with other group companies, these balances account for the vast majority of the company's debtors and creditors

### Directors and their interests

The directors who served during the year were

	<i>Appointed</i>	<i>Resigned</i>
Julian Sargeson	—	19 May 2006
Timothy Smalley	—	—
Aaron Brown	—	—
Stephen Brown	—	31 January 2007
Ian Payne	—	—
Paul Symonds	6 September 2006	—
Suzanne Baker	6 September 2006	—
Christian Keen	29 November 2006	—

The directors had no interest in the ordinary shares of the company at any time during the year

No director had any interests in any contract or arrangements of a material nature with the company, its subsidiaries, its fellow subsidiaries or its ultimate parent company during the year under review

### Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

## Directors' report

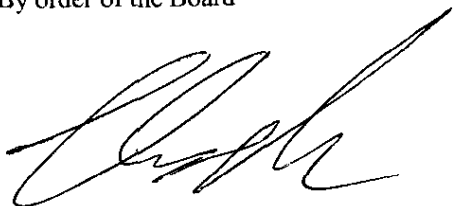
### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing this report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP will be proposed at the forthcoming Annual General Meeting.

By order of the Board



Christian Keen

Director

12 November 2007

## **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report**

**to the members of Yates Group Limited**

We have audited the company's financial statements for the year ended 25 February 2007 which comprise the Profit and Loss Account, Balance Sheet, statement of total recognised gains and losses and the related notes 1 to 20. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Independent auditors' report

to the members of Yates Group Limited

### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 25 February 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP  
Registered Auditor

LUTON

16 November 2007

## Profit and loss account

for the year ended 25 February 2007

		<i>Year ended 25 February 2007 £'000</i>	<i>39 weeks ended 26 February 2006 £'000</i>
	<i>Notes</i>		
Operating costs		(7,776)	(9,749)
Exceptional costs	3	(378)	(1,836)
Other operating income		7,616	8,537
<b>Total operating loss</b>		<b>(538)</b>	<b>(3,048)</b>
(Loss)/profit on disposal of assets	4	(91)	270
<b>(Loss) on ordinary activities before interest and taxation</b>		<b>(629)</b>	<b>(2,778)</b>
Interest receivable and similar income	5	104	87
Interest payable and similar charges	6	(707)	(496)
Net finance credit	16	50	15
<b>(Loss) on ordinary activities before taxation</b>		<b>(1,182)</b>	<b>(3,172)</b>
Taxation	7	1,972	(4,204)
<b>Profit/(loss) for the financial year/period</b>		<b>790</b>	<b>(7,376)</b>

All activities derive from continuing operations



**Balance sheet**

as at 25 February 2007

		25 February 2007 £'000	26 February 2006 £'000
	Notes		
<b>Fixed assets</b>			
Tangible	8	75,228	78,502
Investments	9	5,188	5,060
		<u>80,416</u>	<u>83,562</u>
<b>Current assets</b>			
Debtors	10	29,943	24,095
Cash at bank and in hand		308	445
		<u>30,251</u>	<u>24,540</u>
<b>Creditors</b> amounts falling due within one year	11	(51,468)	(48,277)
<b>Net current liabilities</b>		<u>(21,217)</u>	<u>(23,737)</u>
<b>Total assets less current liabilities</b>		59,199	59,825
<b>Creditors</b> amounts falling due after more than one year	12	(8,804)	(8,133)
Provisions for liabilities and charges	13	(9,959)	(11,979)
Pension scheme deficit	17	—	(749)
<b>Net assets</b>		<u>40,436</u>	<u>38,964</u>
<b>Capital and reserves</b>			
Called up share capital	14	16,765	16,765
Share premium account	15	19,028	19,028
Profit and loss account	15	4,643	3,171
<b>Equity shareholders' funds</b>		<u>40,436</u>	<u>38,964</u>

The balance sheet as at 26 February 2006 has been restated to correctly classify the interest payable to group undertakings, this has no impact on the reported net liabilities of the company



Christian Keen  
Director

12 November 2007

## Statement of total recognised gains and losses

for the year ended 25 February 2007

	<i>Year ended 25 February 2007 £'000</i>	<i>39 weeks ended 26 February 2006 £'000</i>
Profit(loss) on ordinary activities attributable to the shareholders	790	(7,376)
Actuarial gain/(loss) recognised in the retirement benefit scheme	110	1,073
Difference between the expected and actual return on scheme assets	793	(1,483)
Changes in assumptions underlying the present value of scheme liabilities	130	-
Experience gain arising on scheme liabilities	(58)	-
Additional loss from irrecoverable surplus		
	975	(410)
Tax on net retirement benefit items recognised in the statement of total recognised gains and losses	(293)	123
<b>Total gains and losses recognised related to the year</b>	<b>1,472</b>	<b>(7,663)</b>

## Notes to the financial statements

as at 25 February 2007

### 1. Accounting policies

The financial statements of Yates Group Limited were approved for issue by the Board of Directors on 12 November 2007

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the year and the prior period

#### **Accounting convention**

The financial statements are prepared under the historical cost convention. They have been prepared on the going concern basis

#### **Basis of consolidation**

Consolidated accounts have not been prepared as the accounts of the company and its wholly owned subsidiaries have been consolidated with those of the Laurel Pub Equity Holdings Limited. These financial statements present information about the company as an individual and not as a group undertaking

#### **Tangible fixed assets**

Fixed assets are stated at cost less any accumulated depreciation

Depreciable fixed assets are written off on a straight line basis over their estimated useful lives. The rates of depreciation are as follows

- leasehold properties are depreciated to their estimated residual values over the shortest of 50 years, their estimated useful lives and their remaining lease periods,
- administration furniture, fixtures, fittings and equipment are depreciated over 2 to 25 years, or the remaining period of the lease if shorter, and
- retail furniture, fixtures and equipment are depreciated over 3 to 25 years, or the remaining period of the lease if shorter

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Profit and losses on disposal of fixed assets reflect the difference between net selling price and net book value at the date of disposal

#### **Acquisitions**

Purchases of businesses are accounted for using the acquisition method of accounting. Identifiable assets and liabilities acquired are included at their fair values at the date of acquisition. The difference between the fair value of the net identifiable assets acquired and the fair value of the purchase consideration is goodwill

#### **Cash flow statement**

The company has taken advantage of the provisions of paragraph 5 of FRS 1 "Cash Flow Statements" and has not produced a cash flow statement

#### **Investments**

Investments held as fixed assets are stated at cost less provision for impairment

#### **Leases**

Rental payments in respect of operating leases are charged against operating profit on a straight line basis over the period of the lease

## Notes to the financial statements

as at 25 February 2007

### 1. Accounting policies (continued)

#### **Retirement benefits**

The operating cost of providing retirement benefits under the Group's defined benefit pension plan, as calculated periodically by independent actuaries, is charged to the company's operating profit or loss in the period that those benefits are earned by employees. The financial return expected on the pension scheme's assets is recognised in the period in which they arise as part of finance income and the effect of the unwinding of the discounted value of the pension scheme's liabilities is treated as part of finance costs. The changes in value of the pension scheme's assets and liabilities are reported as actuarial gains or losses as they arise in the consolidated statement of total recognised gains and losses. Any pension scheme surplus, to the extent it is considered recoverable, or deficit are recognised in full and presented in the balance sheet net of any related deferred tax. Both the pension liability and the related deferred tax asset have been calculated assuming the business continues to trade successfully over the long-term period to which they both relate.

Retirement benefit costs under defined contribution pension plans are charged to the profit and loss account as incurred.

#### **Taxation**

Deferred taxation is provided in accordance with Financial Reporting Standard ("FRS") 19 on all timing differences arising from the different treatment of items for accounts and taxation purposes calculated at rates at which it is estimated that tax will arise. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### 2. Auditors' remuneration, directors' emoluments and employees

Auditors' remuneration has been borne by other group companies in the current financial year and previous period. The estimated auditors' remuneration for the year for this company amounted to £20,000 (2006 £40,000).

The directors received no remuneration for their services in respect of the company in the financial year. The company had no employees other than the directors.

## Notes to the financial statements

as at 25 February 2007

### 3. Exceptional operating costs

	<i>Year ended 25 February 2007 £000</i>	<i>39 weeks ended 26 February 2006 £000</i>
Impairment of properties	378	1,836

### 4. Profit/(loss) on disposal of assets

	<i>Year ended 25 February 2007 £'000</i>	<i>39 weeks ended 26 February 2006 £'000</i>
(Loss)/profit on sale of properties	(91)	270

### 5. Interest receivable and similar income

	<i>Year ended 25 February 2007 £'000</i>	<i>39 weeks ended 26 February 2006 £'000</i>
On preference shares held in subsidiary undertaking	104	87

### 6. Interest payable

	<i>Year ended 25 February 2007 £'000</i>	<i>39 weeks ended 26 February 2006 £'000</i>
On loan to Laurel BidCo Limited	707	496

# Notes to the financial statements

as at 25 February 2007

## 7. Tax on loss on ordinary activities

The tax charge is made up as follows

	<i>Year ended 25 February 2007 £'000</i>	<i>39 weeks ended 26 February 2006 £'000</i>
Current year charge		
UK corporation tax of the period	—	1,886
Adjustment in respect of prior period	—	(780)
Total current tax	—	1,106
Deferred tax		
Current year charge relating to other items	(1,804)	(1,510)
Current year charge relating to retirement scheme	45	29
Acquisitions and disposals of subsidiaries and businesses	—	(23)
Adjustment in respect of prior period relating to accelerated capital allowances	(213)	4,602
Total deferred tax	(1,972)	3,098
Tax on loss on ordinary activities	(1,972)	4,204

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	<i>Year ended 25 February 2007 £'000</i>	<i>39 weeks ended 26 February 2006 £'000</i>
Loss on ordinary activities before tax	(1,182)	(3,172)
Tax credit on loss on ordinary activities at standard UK corporation tax rate of 30% (2006 – 30%)	(355)	(952)
Effects of		
Expenses not deductible for tax purposes	735	1,233
Accelerated capital allowance	1,804	1,611
Other timing differences	(45)	(6)
Adjustments in respect of previous periods	—	(780)
Group relief claimed free of charge	(2,139)	—
Current year tax charge	—	1,106

## Notes to the financial statements

as at 25 February 2007

### 8. Tangible fixed assets

	<i>Leasehold Property £'000</i>	<i>Equipment £'000</i>	<i>Total £'000</i>
Cost			
At 26 February 2006	97,814	60,904	158,718
Additions	2,077	4,022	6,099
Transfers to group companies	-	(12)	(12)
Disposals	(3,809)	(876)	(4,685)
At 25 February 2007	96,082	64,038	160,120
Depreciation			
At 26 February 2006	31,055	49,161	80,216
Charge for the year	2,907	4,709	7,616
Transfers to group companies	-	(2)	(2)
Impairment	324	54	378
Disposals	(2,626)	(690)	(3,316)
At 25 February 2007	31,660	53,232	84,892
Net book value			
At 25 February 2007	64,422	10,806	75,228
At 26 February 2006	66,759	11,743	78,502

The impairment of fixed assets relates to post year end disposals that have been disposed of below the net book value. These assets have been impaired to the value of the net disposal proceeds received.

## Notes to the financial statements

as at 25 February 2007

### 9. Investments

	<i>Investment in quoted investments £'000</i>	<i>Shares in subsidiary undertakings £'000</i>	<i>Total £'000</i>
At 26 February 2006	21	5,039	5,060
Additions	–	128	128
At 25 February 2007	21	5,167	5,188

On 30 November 2006 the company acquired 127,886 £1 10% A preference shares from SFI Holdings Limited for £127,886. These were issued by Yates' Wine Lodges Limited, a subsidiary company.

The principal subsidiary undertakings held by the company and directly owned by Yates Group Limited at 25 February 2007 were -

<i>Subsidiary undertaking</i>	<i>Class</i>	<i>Holding</i>	<i>Activity</i>
Yates' Wine Lodges Limited	Ordinary	100%	Managed pubs & bars
Ha' Ha' Bar & Canteen Limited	Ordinary	100%	Managed pubs & bars
Forno Vivo Limited	Ordinary	100%	Managed pubs & bars
Yates Brothers Limited	Ordinary	100%	Dormant

All indirect subsidiaries are not listed due to the excessive length of disclosure.

### 10. Debtors

	<i>2007 £'000</i>	<i>2006 £'000</i>
Trade debtors	938	13
Amounts owed by fellow subsidiary undertakings	26,850	23,102
Other debtors	1,135	55
Prepayments	981	925
Defined pension scheme asset (note 17)	39	–
	29,943	24,095



## Notes to the financial statements

as at 25 February 2007

### 11. Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Trade creditors	233	71
Amounts owed to subsidiary undertakings	26,897	43,269
Amounts owed to group undertakings	19,391	509
Social security and other taxes	1,730	349
Corporation tax payable	1,743	1,935
Accruals	1,474	2,144
	<u>51,468</u>	<u>48,277</u>

### 12. Creditors: amounts falling after more than one year

	2007 £'000	2006 £'000
Amounts owed to group undertakings	8,804	8,133

### 13. Provisions for liabilities and charges

	<i>Deferred Tax</i> £'000	
At 26 February 2006		11,979
Movement on deferred tax		(2,020)
At 25 February 2007		<u>9,959</u>
	<i>Amount provided</i> 2007 £000	<i>Amount provided</i> 2006 £000
Deferred tax comprises		
Accelerated capital allowances	9,959	11,979
Provision for deferred tax	<u>9,959</u>	<u>11,979</u>

## Notes to the financial statements

as at 25 February 2007

### 14. Share capital

	£'000
Authorised	
90,000,000 ordinary shares of £0.25 each at 26 February 2006 and 25 February 2007	22,500
Called up and fully paid	
67,060,301 ordinary share of £0.25 each at 26 February 2006 and 25 February 2007	16,765

### 15. Reserves

	Share premium account £000	Profit and loss account £000	Total £000
At 29 May 2005	19,028	10,834	29,862
Loss for the period	—	(7,376)	(7,376)
Actuarial loss on pension scheme net of tax	—	(287)	(287)
At 26 February 2006	19,028	3,171	22,199
Profit for the year	—	790	790
Actuarial gain on pension scheme net of tax	—	682	682
At 25 February 2007	19,028	4,643	23,671

## Notes to the financial statements

as at 25 February 2007

### 16. Financial commitments

	2007 £000	2006 £000
Annual commitments under property operating leases which expire as follows		
Between two and five years	148	148
After five years	11,693	11,778
	<u>11,841</u>	<u>11,926</u>

### 17. Pensions

Yates Group Limited operates a funded defined benefit scheme, the membership of which is closed and a defined contribution scheme introduced on 1 April 1994. The assets of the two schemes are held in a single, separate trustee administered fund. Any actuarial assessment of the defined benefit part of the scheme was last carried out by an independent qualified actuary at 31 March 2004. The assumptions which have the most significant effect on the valuation are

	25 February 2007	26 February 2006	29 May 2005
Discount rate	5.40%	4.90%	5.25%
Inflation	3.00%	2.70%	2.75%
Rate of increase of salaries	4.00%	3.70%	4.50%
Rate of increase in pensions payment	3.00%	2.70%	2.75%

The assets in the scheme and the long term expected rates of return were

	Long term expected rate of return %	2007 Value £000	Long term expected rate of return %	2006 Value £000	Long term expected rate of return %	2005 Value £000
Equities	7.50	5,880	7.50	5,869	7.50	4,546
Bonds	5.00	5,792	4.00	5,518	4.50	4,784
Cash	5.25	103	3.50	30	4.75	755
Total market value of assets		<u>11,775</u>		<u>11,417</u>		<u>10,085</u>
Present value of scheme liabilities		<u>(11,719)</u>		<u>(12,487)</u>		<u>(10,840)</u>
Surplus/(deficit) in the scheme		56		(1,070)		(755)
Related deferred tax asset/(liability)		(17)		321		227
Net pension asset/(liability)		<u>39</u>		<u>(749)</u>		<u>(528)</u>

# Notes to the financial statements

as at 25 February 2007

## 17. Pensions (continued)

### Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses

	<i>Year ended 25 February 2007</i>	<i>Period ended 26 February 2006</i>	<i>Period ended 29 May 2005</i>
Difference between expected and actual return on scheme assets			
Amount gain	110	1,073	528
Percentage of scheme assets	0.9%	9.4%	5.2%
Experience gains and losses arising on the scheme liabilities			
Amount gain	130	—	830
Percentage of present value of scheme liabilities	1.1%	—	7.7%
Effects of changes in the demographic and financial Assumptions underlying the present value of scheme Liabilities			
Amount gain/(loss)	793	(1,483)	(524)
Percentage of present value of scheme liabilities	6.8%	11.9%	4.8%
Additional loss from irrecoverable surplus	(58)	—	—
Percentage of present value of scheme liabilities	0.5%	—	—
Total amount recognised in STRGL			
Amount gain/(loss)	975	(410)	834
Percentage of scheme liabilities	8.3%	3.3%	7.7%

# Notes to the financial statements

as at 25 February 2007

## 17. Pensions (continued)

### Movement in deficit during the year

	<i>Year ended 25 February 2007 £000</i>	<i>Period ended 26 February 2006 £000</i>
Deficit in scheme at start of the year/period	1,070	755
Movement in the year/period		
Current service costs	6	13
Net finance charge	(50)	(15)
Contributions	(107)	(93)
Past service costs	—	—
Actuarial gain	(975)	410
(Surplus)/deficit in scheme at end of the year/period	(56)	1,070

### Analysis of amount charged to operating loss

	<i>Year ended 25 February 2007 £000</i>	<i>Period ended 26 February 2006 £000</i>
Current service cost	6	13
Past service cost	—	—
Total operating charge	6	13
Contributions to defined contribution scheme	—	—
Total pension costs	6	13

### Analysis of amount charged to finance costs

	<i>Year ended 25 February 2007 £000</i>	<i>Period ended 26 February 2006 £000</i>
Expected return on pension scheme assets	(650)	(436)
Interest on pension scheme assets	600	421
Net return	(50)	(15)

## Notes to the financial statements

as at 25 February 2007

### 18. Related party transactions

The company has taken advantage of the exemption in FRS 8 that transactions do not need to be disclosed with companies 90% or more of whose voting rights are controlled within the group. During the year the company disposed of Yates Huddersfield to Yates Propco No 2 (Huddersfield) Limited, a company under common ownership by the ultimate controlling party of Yates Group Limited, for £1,060,000.

### 19. Ultimate parent undertaking

The immediate parent company is Yates BIDCO Limited, a company incorporated in Great Britain and registered in England and Wales. The ultimate parent company is Laurel Pub Equity Holdings Limited (a company incorporated in Great Britain and registered in England and Wales) and the ultimate controlling party is The Tchenguiz Family Trust.

The only group for which consolidated financial statements are prepared which include the company is that headed by Laurel Pub Equity Holdings Limited. Consolidated financial statements for this company are available to the public and can be obtained from Porter Tun House, 500 Capability Green, Luton, Beds, LU1 3LS.

### 20. Contingent liabilities

The company, along with other group undertakings, had guaranteed the indebtedness of another group undertaking, Laurel Pub BIDCO Limited. As at 25 February 2007, the amount outstanding in the books of Laurel Pub BIDCO Limited, including accrued finance charges, was £166.7 million.

The company entered into an intercreditor agreement as a guarantor on 20 May 2005 on all intercompany balances as they arise from time to time. The agreement is between among others, the company, Laurel Pub BIDCO Limited, Dresdner Bank AG, London Branch and Kaupthing Bank hf as agent and security trustee.